

**SWEDISH PROPERTY DEVELOPMENT
AGREEMENT**

December 2013

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(TO BE EDITED LAST)

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This Development Agreement ("Agreement") is entered into the 11th day of December, 2013, by and between the City of Issaquah, a Washington municipal corporation ("City"), Swedish Health Services ("Swedish") and Grand-Glacier LLC, a Washington limited liability corporation ("Grand-Glacier"), collectively the "Parties". The Agreement covers Issaquah Highlands Blocks 29-42 (the "Property"), owned by Swedish.

RECITALS

A. The City is a noncharter Optional Municipal Code city incorporated under the laws of the State of Washington. The City has authority to enact laws and enter into agreements to promote the health, safety and welfare of its citizens and thereby to control the use and development of the Swedish Property (as hereafter defined) and specify zoning and development standards for areas within the City. The City has the authority to enter into development agreements with those who own or control property within its jurisdiction, pursuant to the Development Agreement Statutes, RCW 36.70B.170 through 36.70B.210. This Agreement is intended to constitute a development agreement governed by the terms and conditions of the Development Agreement Statutes.

B. This Agreement covers approximately 28.28 acres referred to as the "Property" which is located within Issaquah Highlands in an area known as the "West 45 Blocks", as shown on the map attached hereto as Figure 1; and, as legally described in Figure 2, attached hereto. Swedish previously acquired Blocks 29-35 of the West 45 Blocks, consisting of 17.88 acres. Pursuant to an agreement between Swedish and Grand-Glacier, Swedish is acquiring Blocks 36-42 of the West 45 Blocks, consisting of approximately 10.4 acres. The Property is subject to the existing Issaquah Highlands Development Agreement ("IHDA"). The purpose of this Agreement is to remove the Swedish Property from the existing IHDA, and create a new development agreement that will apply only to the Property and will extend beyond the current expiration date of the IHDA in 2017, through 2033

C. An urban village master plan for the Property promotes and implements a number of Washington State and City growth management and planning goals and objectives. Such goals and objectives are in the public interest and include the following:

1. Growth Management Act Goals.

An urban village master plan for the Project promotes and achieves the following planning goals of Washington's Growth Management Act, RCW 36.70A.020, which goals are themselves consistent with, and have guided the development of, the City's Comprehensive Plan and development regulations:

a. Creates urban growth in an appropriate location:

It will constitute development in an urban area where adequate public facilities and services are provided in an efficient manner.

b. Promotes efficient transportation:

It will promote efficient multi-modal transportation systems including transit or alternative transit systems that are based on regional priorities and coordinated with the City's adopted Comprehensive Plan.

- c. **Creates desirable economic development:**
It will create economic development that is consistent with the City's adopted Comprehensive Plan and will create economic opportunity for citizens of this region, within the capacities of the area's natural resources, public services, and public facilities.
- d. **Protects the environment:**
It will protect the environment, including air and water quality, and enhance the City's high quality of life.
- e. **Promotes citizen participation:**
It has been formulated collaboratively, with the continuing close involvement and support of local citizens and affected jurisdictions, throughout the Development Agreement planning process.
- f. **Ensures concurrent public facilities and services:**
Development will be conditioned on the provision of adequate public facilities and services necessary to support each new phase prior to occupancy.

2. City's Planning Goals and Objectives.

In addition to the foregoing, a Development Agreement for the Property promotes and achieves the following desirable planning goals and objectives of the City, in furtherance of objectives and policies in the City's adopted Comprehensive Plan:

- a. **Promotes Sustainable Development:**
Establishes a framework to foster green building and sustainable development. (Objectives L-8 & U-4, Policies L-2.1, L-2.3, L-2.4, L-4.3, U-2.3)
- b. **Meets City surface water standards:**
Employs surface water retention-detention and water quality treatment methods that meet the City's standards at the time of Agreement adoption as well as all current State and Federal standards in order to mitigate adverse environmental impacts and preserve water quality in Lake Sammamish. (Objective U-4, Policies U-2.3, U4.1, U4.2, U4.4, and U4.6)
- c. **Employs creative solutions to water and traffic issues:**
Employs creative solutions to issues of water conservation and other natural resources, and to traffic demand management. (Objectives U-2 & EV-1, Policies U2.6.3, T-2, T-3, T-5, T-11, T-26)

D. Swedish, Grand-Glacier and the City have identified the following Mutual Goals to be achieved through implementation of this Agreement:

- 1. **Maintaining and Allowing Growth of the Hospital:** The Swedish Medical Center is the only hospital in Issaquah and serves Issaquah and the surrounding

area. This Agreement recognizes the need to allow continued hospital and related development on the Property.

2. **Continuity:** Capture the opportunity for a public/private partnership with the City's hospital provider and a significant employer to help more efficiently utilize land within the City to meet the City's employment growth targets;
3. **Resource Efficiency:** Maximize the effectiveness of public and private resources and planning opportunities;
4. **Development:** Develop areas with the greatest potential to increase the value of public and private assets;
5. **Pedestrians and Bicyclists:** Create urban scale development that is walkable and bikeable;
6. **Reduce Uncertainty:** Reduce the risk to the Property due to changes in development regulations and processes and uncertainty for the City as the Agreement contains a complete development vision as well as providing that this Agreement will run through 2033;
7. **Sustainability:** Integrate the principles of smart growth, urbanism and green building into the design of development of the Property;
8. **Swedish and City Relationship:** Allows Swedish and the City to establish a mutually supportive relationship that enables them to work directly with one another to implement this Agreement.

E. The Property is located within an Urban Growth Area, is appropriate for urban development pursuant to the Growth Management Act and the City's adopted Comprehensive Plan, and the City provides urban services to the Property.

F. In cooperation with Swedish, the City will plan for appropriate urban land uses, required infrastructure, and community improvements, consistent with the City's Comprehensive Plan.

G. Swedish shall, after the date of this Agreement, be eligible to apply to the City and receive implementing permits and approvals for the urban uses set forth herein for the Property.

H. The Parties intend that they shall take further actions and execute further documents, either jointly or within their respective powers and authority, necessary or appropriate to implement the intent of this Agreement. The Parties intend to work to achieve the mutually agreeable goals as set forth in this Agreement, subject to the City's independent exercise of judgment.

I. This Agreement is based upon the City's police power, contracting power and other authority, including those provisions codified as RCW 36.70B.170 through 36.70B.210, and general law. Further development of the Swedish Property will require subsequent issuance

of City permits, which will be issued in accordance with the standards and procedures in this Agreement, as well as other agency permits.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, as well as other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENTS

1.0 Swedish Property Description and Definition

1.1 Current Comprehensive Plan and Zoning Designations

The City has designated the Property "Urban Village" in its 2012 Comprehensive Plan, as amended. The City's Comprehensive Plan provides for implementation of an Urban Village plan designation through the Urban Village ("UV") Zone, the current zoning of the Property.

1.2 Definition of Property and Property Description

The property in accordance with the terms and conditions of this Agreement is called "the Property," and is located and defined as shown in Figure 1. The Property is legally described in Figure 2, attached hereto and includes any rights bestowed through easement on Tract QD (Attachment 3).

1.3 Agreement Boundary

The Agreement Boundary includes the Property and adjacent roads, except NE Discovery Drive and the eastern half street of 8th Avenue NE.

2.0 Required Project Elements

2.1 Sustainability

Swedish will incorporate sustainable development practices in the Project. Specific provisions are set out in Appendix K, (Sustainability).

2.2 Transportation Improvements

Through circulation facility improvements within the Property, the Project will improve mobility within this portion of the City. No major off-property transportation improvements will be required of Swedish in conjunction with development of the Property.

2.2.1 Existing Streets

7th Avenue NE, 8th Avenue NE, and Blakely Drive are fully developed and complete, except that a mid-block pedestrian crossing on 8th Avenue NE is anticipated. NE Discovery Drive is not within the Agreement Boundary but additional improvements (north half street) are anticipated for this public street to improve it to its ultimate improvement cross-section.

2.2.2 Transit

The Parties agree that transit service is an important part of sustainable development, links important destinations like Swedish Issaquah with other parts of the City and region, and provides a needed alternative to the automobile for employees and visitors to reach the hospital and planned medical facilities. While transit is typically provided by public entities, the Parties recognize the current limitations on public funding and the need to consider partnerships and alternative means for providing transit services.

In order to improve the likelihood that transit service will serve Swedish Issaquah in the future, the Parties agree to enter into a binding agreement within 12 months following the approval of this Agreement that will contain the following provisions:

A. The transit agreement shall have a term of five (5) years from the date of the Development Agreement's execution that may be extended by mutual agreement of both parties;

B. Swedish shall pay to the City or other Transit provider, an investment of \$50,000, upon request by the City, to fund a service, or improve an existing service, that will provide the minimum benefits:

1. The service is convenient to the Property with stops on 8th Avenue NE and/or NE Blakely Drive;

2. The service operates daily during the week, except on major holidays, and runs generally during peak hours of operation (7:00 am – 8:00 pm);

3. The service uses a vehicle type that is large enough to accommodate the expected passenger demand;

4. The service route is designed to connect and compliment other transit offerings in the City;

5. The service will be operational within six (6) months of payment; and,

6. The service is guaranteed to run for a minimum of two (2) years.

C. Swedish commits to consider further contribution should the service show, as determined by Swedish, benefit to the Swedish operations.

D. Swedish commits to consider the incorporation of private transportation services such as, but not limited to, taxi stands and car sharing.

2.2.3 Discovery Signal Modification

The Master Developer shall, prior to the first new building occupancy granted by this Agreement, provide an additional signal head to facilitate the northbound Highlands Drive to westbound Discovery Drive left turn. The head

shall be installed consistent with that illustrated in Figure 3, or as otherwise approved by the Designated Official.

2.3 Well

The private well that has been partially completed on the Property will be governed by the provisions of Appendix F, (Utilities).

2.4 Whirlpool

Prior to the first occupancy entitled through this Agreement, Swedish will convey facility ownership and a Rights & Use easement for the Whirlpool facility to the City, to the extent located on the Property.

2.5 Tract QD

With the Land Use Permit for the Property, Swedish shall provide a design for the surface improvements to Tract QD (unless an alternative location is agreed to as part of the Land Use permit process), including development of a new Community Space of approximately 10,000 sf which may be comprised of one (1) space or multiple complementary or varied, usable spaces consistent with those currently provided around the existing facilities (subject to reasonable private property use rules & restrictions covenant); the shielding for the above-grade utilities serving this facility; and, will commit to a timing for construction, as approved by the Designated Official.

3.0 Goals

The Goals set forth in Appendix A are the policy guide and the foundation that have been used to develop the design guidelines and development standards for the Project. As set forth in Appendix D, (Permitting), the Goals and the Design Guidelines set forth in Appendices A and B, respectively, shall also be used in the evaluation of any future proposed modifications to the Project not presently authorized herein.

4.0 Urban Village Design Guidelines

The design guidelines set forth in Appendix B, (Design Guidelines), are hereby adopted and shall govern and control all development in the Project, unless and until modified in accordance with Appendix D, (Permitting).

5.0 Project Elements

The Property is zoned for a mix of commercial uses in an Urban Village setting that fosters development of the Property. The primary intended uses of the Property are the existing hospital and medical office building, and accessory uses containing 538,000 square feet which includes up to 20,000 square feet accessory retail uses, combined with another 539,000 square feet for one or more medical office buildings and accessory uses, including up to 40,000 square feet of accessory retail uses in accordance with Appendix C, (Land Uses). The total Allowable Development is 1,077,000 Gross Square Feet.

6.0 Development Standards; Incorporation of Appendices

Development Standards for all elements of the Project are set forth in the various Appendices A through L, inclusive, as listed at the end of the Table of Contents hereto.

7.0 Allowable Development

7.1 Allowable Development

As further set forth in Appendix C (Land Uses), Allowable Development includes 1,077,000 of Commercial Entitlement conveyed from the Issaquah Highlands development agreement and allows for the primary uses of hospitals, clinics, medical offices, administrative offices, professional offices and commercial uses and all accessory retail uses to the primary uses.

7.2 Other Development Agreements

This Agreement shall supersede and replace any other development agreements for the Property as of its effective date. Swedish shall not be liable for any continuing obligations from other development agreements except those specifically described in this Agreement. Swedish shall remain liable for any building code or other municipal code violations and for any public health and safety issues for the existing development on West 45 Plat, Blocks 29-35 arising before the effective date of this Agreement. This section shall not be interpreted to allow Swedish to avoid on-going compliance with applicable Development Standards of this Agreement, municipal, state and federal laws and regulations, and land use permits, plat requirements and the existing Site Development Permit for West 45 Plat, Blocks 29-35.

7.3 Off-site Signage

Swedish has been determined to be an essential public facility and warrants special consideration for signage. The Parties agree that off-site informational, directional and traffic may be necessary to help the public find the Project. Off-site signs shall be reviewed and approved by the Designated Official per the provisions of Section 6.2 of Appendix D (Permitting).

8.0 Surface and Ground Water

The stormwater and ground water standards applicable to the Project are set forth in Appendix F, (Utilities). Stormwater facilities shall be provided by Swedish consistent with Appendix F, (Utilities).

9.0 Water Service

Water service shall be provided to the Project in accordance with Appendix F, (Utilities). Water service shall be provided by the City and Swedish shall provide such water facilities to and on the Property (e.g., pipes, meters, etc.) at its cost consistent with Appendix F, (Utilities).

10.0 Sewer Service

Sanitary sewer service shall be provided to the Project in accordance with Appendix F, (Utilities). Sewer service shall be provided by the City and Swedish shall provide at its cost sanitary sewer facilities to serve the Property consistent with Appendix F, (Utilities).

11.0 Adequacy of Facilities

Swedish's compliance with the Development Standards and performance of its obligations contained in this Agreement shall constitute the financing and provision of adequate and sufficient public facilities and services for the Project, and such performance shall satisfy all applicable concurrency and level of service requirements of the City with respect to all components of the Allowable Development.

12.0 Capital Facilities

12.1 Project-Level Facilities

Project level facilities, such as on-site water mains, sewer and stormwater facilities, will be constructed by Swedish as development occurs across the Swedish Property, consistent with the City's Engineering Design and Construction Standards. All facilities shall be provided consistent with Appendix F, (Utilities) and Appendix E, (Circulation).

12.2 Location and Type of Utility Facilities

The location and type of new Water, Sewer, and Stormwater Facilities shall be determined through the Site Development Permit ("SDP") process.

13.0 City Processing and Review

13.1 City Review Procedures and Standards

The City's application and review processes for the Implementing Approvals are set forth in Appendix D, (Permitting).

14.0 Vesting of Development Standards and Mitigation

All development within the Agreement Boundary shall be governed by the Development Standards in this Agreement and the applicable provisions of the Issaquah Municipal Code in effect as of the date of this Agreement. All development within the Project shall be implemented through plats, short plats, site development permits, building permits and other permits and approvals ("Implementing Approvals") issued by the City. A Buildout Period following Development Agreement approval through December 31, 2033 is established for the development and construction of uses for the Project, as authorized in RCW 36.70B.170(3)(i).

In accordance with RCW 36.70B.180, during the Buildout Period, the City shall not modify or impose new or additional Development Standards except as set forth in this Agreement, provided, however, that the Project elements and other Development Standards may be modified during the Buildout Period in accordance with the procedures established in Appendix D, ("Permitting"). To the extent this Agreement does not establish Development Standards, process, procedures, or similar elements covering a certain subject, element or condition, then the Project shall be governed by the City codes and City Council-adopted standards in effect upon the date of this Agreement, except as follows:

This Agreement expressly acknowledges that the improvements in existence at the time of this Agreement on the Property meet the standards of the Issaquah Highlands Development Agreement.

14.1 During Buildout Period

During the term of this Agreement, aside from the revisions authorized by the provisions of Appendix D, (Permitting) the Development Standards may only be modified as follows:

14.1.1 Updated Uniform Codes Apply

Notwithstanding the foregoing, the International Building Code, International Fire Code, and other construction codes in effect in the State of Washington, and as adopted by the City of Issaquah, on the date of filing a complete building permit application or other construction application for a building in the Project, shall apply, except that no changes to such codes taking effect after the date of this Agreement shall require redesign or modification of then-existing Project utilities, facilities or other infrastructure that were installed in accordance with this Agreement unless redesign or modification are required to avoid a serious threat to the public health or safety.

14.1.2 Resolution of Conflicts Between City Standards and the Urban Village Goals, Guidelines, and Standards

If a City standard adopted by ordinance is applied to the Project because this Agreement has not established an applicable Development Standard, and if such City standard conflicts with an adopted Planning Goal or Urban Design Guideline, or other Project Development Standards, then, if not prohibited by state or federal law, the City shall propose a comparable Development Standard in lieu of the City standard that responds to and integrates or consolidates the City standard with the conflicting Urban Village Planning Goal, Urban Design Guideline, or other Project Development Standard, unless modification of the City standard would compromise public health or safety. In that event, Swedish or relevant Applicant and the Designated Official shall work together and seek to resolve through consensus any difference of opinion they may have regarding the Designated Official's proposal.

14.1.3 Serious Threat

The City Council may modify one or more Development Standards during the Buildout Period to the extent required to avoid serious threat to the public health or safety.

14.2 After Buildout Period

The Development Standards shall continue to apply to all applications for Implementing Approvals submitted after expiration of the Buildout Period, except either party may terminate this Agreement, and the zoning and development regulations may be modified, as provided in Section 20.12.

14.3 Application and Processing Fees

The application and processing fees for all Implementing Approvals shall be established under Appendix D, (Permitting).

14.4 Replacement Standards

During and after the Buildout Period, Swedish, as an alternative to using one or more of the Development Standards for particular subject matters specified in this Agreement, may request City approval to use new code provisions or generally-applicable standards for that subject adopted after the execution of this Agreement, pursuant to the procedures set forth in Appendix D, (Permitting). After the Buildout Period, new standards also may be adopted as provided in Section 20.12.

15.0 Other Development Standards

The City and Swedish acknowledge that the Development Standards may be revised, or new standards adopted, by mutual agreement pursuant to Appendix D, (Permitting). For any new Development Standards that are not adopted in this Agreement, new Development Standards may be proposed by Swedish or the City, tailored as appropriate to the Project, and processed pursuant to Appendix D, (Permitting). The Parties need to agree on the proposal to include new non-life/safety standards. However, Swedish shall also comply with any applicable existing or future Development Standards imposed by state or federal law, and their implementing regulations.

16.0 Declaration of CC&Rs; Master Association and Architectural Review Committee

16.1 Declaration of Covenants

The Parties acknowledge that the Swedish Property is subject to a Declaration of Covenants, Conditions, and Restrictions ("Declaration") for the Swedish Property, dated 10 March 2008, and recorded under King County Recording No. 20080310001685, as amended by the First Supplement/Amendment thereto, dated 18 June 2009, and recorded under King county Recording No. 20090618000713. Blocks 36-42 will be added to by a recorded amendment to the Declaration concurrent with Swedish's closing of its acquisition on Blocks 36-42.

16.2 Architectural Review Committee

Swedish shall be subject to the Issaquah Highlands Architectural Review Committee ("ARC") pursuant to the Declaration. The ARC will be responsible, among other things, for reviewing those applications for Implementing Approvals specified in Appendix D, (Permitting), as subject to ARC review, before any such application is submitted for City review and processing. The City may refuse to process any such application that has not received prior written approval by the ARC.

17.0 Transportation Improvements

17.1 Road Standards for Project

The road standards applicable to the Project are set forth in Appendix E, (Circulation). Any modification of such standards for roads within the Project shall be determined by the City pursuant to the procedures in Appendix D, (Permitting).

17.2 Mitigation of Traffic Impacts

No major traffic impact mitigation is required for development on the Property.

17.3 P.M. Peak Hour Trips

There is sufficient capacity in the existing roadway system to accommodate 428,000 square feet of Medical Office space, and 649,000 square feet of General Office space within the Property. This equates to 2,448 PM Peak trips from the existing and new development within the Property (See Attachment 4, Trip Generation Table). Other combinations of uses, as identified in Appendix C (Land Uses), up to the maximum entitlement identified in Section 5.0 may be allowed so long as the combined uses do not exceed 2,448 pm peak hour trips. Combination of uses that generate more than 2,448 trips may be approved by the Designated Official with the appropriate mitigation and improvements.

18.0 Flexibility and Modifications of Project Elements, Development Standards, and Other Mitigations by the City

18.1 Flexibility Objectives

The Project described in this Agreement, including the exhibits, attachments, figures and appendices, provides the desired initial definition and certainty of the Project concept. However, the Parties acknowledge modifications to the Project will occur during the Buildout Period. Therefore, Flexibility Objectives have been incorporated into this Agreement, including: incorporating new information; responding to changing community and market needs; encouraging creativity and innovation; and encouraging modifications that provide comparable benefit or functional equivalence with no significant reduction of public benefits or environmental protection to the Project (collectively "Flexibility Objectives").

18.2 Modifications to Project Permitted

The criteria and conditions for review and approval of modifications to this Agreement, its exhibits and appendices, and to the Project, are described and defined in Appendix D, (Permitting) and the criteria contained in applicable appendices, if established. The Project, including the Development Standards for the Project, may be modified pursuant to the process and standards established in Appendix D, (Permitting). Nothing in this Agreement authorizes any modification of state-imposed mandatory concurrency requirements under the Growth Management Act, as amended, or other state or federally-mandated laws or permits.

19.0 City Processing and Review

19.1 City Review Procedures and Standards

The City's application and review processes for the Implementing Approvals are set forth in Appendix D, (Permitting).

19.2 SEPA Compliance

19.2.1 Existing SEPA Documents

The parties acknowledge the urban development within the Project area has been addressed and analyzed in prior environmental documents, including but not limited to those documents specifically identified in Appendix L, (SEPA).

19.2.2 Project DNS

The parties intend that the 7 October 2013 MDNS (SEP13-00003) analyzing the impacts of the Project shall constitute compliance to the fullest extent possible under SEPA for all Implementing Approvals and requested modifications under *Section 20*, Flexibility and Modifications of Project Elements, etc. and Appendix D, (Processing) during the Buildout Period.

19.2.3 Further SEPA Review Limited

Since this Agreement sets forth the mitigations and other Project Regulations to be applied during the Buildout Period to achieve full SEPA compliance, the City may, pursuant to the procedures and standards set forth in SEPA, ch. 43.21C RCW, the SEPA Rules, ch. 197-11 WAC as now exists or as are hereafter amended, and Appendix L, (SEPA), require an EIS, a supplemental EIS, EIS addendum, DNS or MDNS requiring mitigation measures beyond those in this Agreement, only to the extent:

19.2.3.1 An Implementing Approval or requested modification exceeds the Project Envelope, as defined in Appendix L, (SEPA), and governing Development Standards, or

19.2.3.2 the City concludes, pursuant to the SEPA Rules, WAC 197-11-600(3)(B), that substantial changes have been made to the Project so that it is likely to have significant adverse impacts not previously analyzed in a SEPA environmental document; or

19.2.3.3 the City concludes, pursuant to the SEPA Rules, WAC 197-11-600(3)(b), that there is new information indicating probable significant adverse environmental impacts of the Project not previously analyzed in a SEPA environmental document.

20.0 General Provisions

20.1 Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Washington.

20.2 Agreement Binding on Successors

20.2.1 Binding Nature of Agreement

This Agreement shall be binding upon and shall inure to the benefit of the heirs, successors and assigns of Swedish, and upon the City.

20.3 Interpretation; Severability

20.3.1 Interpretation

The Parties intend this Agreement to be interpreted to the full extent authorized by law as an exercise of the City's authority to enter development agreements pursuant to RCW 36.70B.170 *et seq.*, and this Agreement shall be construed to exclude from the scope of this Agreement and to reserve to the City, only that police power authority which is prohibited by law from being subject to a mutual agreement with consideration. If an Urban Village Development Standard conflicts with an otherwise applicable provision of the Issaquah Municipal Code, the Urban Village Development Standard shall control.

20.3.2 Severability

If any provisions of this Agreement are determined to be unenforceable or invalid in a final decree or judgment by a court of law, then all of the following shall apply:

20.3.2.1 If the final decree or judgment is pursuant to a claim or cause of action brought by a person or entity that is neither the City or Swedish, then the remainder of this Agreement not decreed or adjudged unenforceable or invalid shall remain unaffected and in full force and effect. In that event, this Agreement shall thereafter be modified, as provided immediately hereafter, to implement the intent of the parties to the maximum extent allowable under law. The parties shall diligently seek to agree to modify the Agreement consistent with the final court determination, and no party shall undertake any actions inconsistent with the intent of this Agreement until the modification to this Agreement has been completed. If the parties do not mutually agree to modifications within forty-five (45) days after the final court determination, then either party may initiate the dispute resolution proceedings in Section 20.16 (Dispute Resolution Process) for determination of the modifications that will implement the intent of this Agreement and the final court decision.

20.4 Authority

Each Party respectively represents and warrants that it has the power and authority, and is duly authorized, to enter in this Agreement on the terms and conditions herein stated, and to deliver and perform its obligations under this Agreement.

20.5 Amendment

The Project and its Development Standards may be modified as provided in this Agreement and the Appendices. Except for Major Modifications as determined under Appendix D, (Permitting), other modifications of the Development

Standards as established in Appendix D, (Permitting) shall not require execution of any specific written amendment to this Agreement. Except for modifications pursuant to Appendix D, (Permitting), this Agreement shall not otherwise be modified or amended without the express written approval of the City and Swedish.

20.6 Figures, Attachments and Appendices Incorporated

Figures 1 and 2, Attachments 1 through 3, and Appendices A through L are incorporated herein by this reference as if fully set forth. In the event of a conflict between provisions of the Main Body of this Agreement and provisions of any Appendix, the provisions of the Main Body shall control.

20.7 Headings

The headings in this Agreement are inserted for reference only and shall not be construed to expand, limit or otherwise modify the terms and conditions of this Agreement.

20.8 Time of the Essence

Time is of the essence of this Agreement and of every provision hereof. Unless otherwise set forth in this Agreement, the reference to "days" shall mean calendar days. If any time for action occurs on a weekend or legal holiday in the State of Washington, then the time period shall be extended automatically to the next business day.

20.9 Entire Agreement

This Agreement represents the entire agreement of the Parties with respect to the subject matter hereof. There are no other agreements, oral or written, except as expressly set forth herein.

20.10 Default and Remedies

20.10.1 Cures Taking More Than Thirty Days

No party shall be in default under this Agreement unless it has failed to perform as required under this Agreement for a period of thirty (30) days after written notice of default from any other party. Each notice of default shall specify the nature of the alleged default and the manner in which the default may be cured satisfactorily. If the nature of the alleged default is such that it cannot be reasonably cured within the thirty (30) day period, then commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure.

20.10.2 Rights of Non-Defaulting Party

A party not in default under this Agreement shall have all rights and remedies provided by law or equity, including without limitation damages, specific performance, or writs to compel performance or require action consistent with this Agreement.

20.10.3 Attorneys' Fees

In any judicial action to enforce or determine a party's rights under this Agreement, the prevailing party (or the substantially prevailing party, if no one party prevails entirely) shall be entitled to reasonable attorneys' fees and costs, including fees and costs incurred in the appeal of any ruling of a lower court.

20.11 Term

The term of this Agreement shall continue until December 31, 2033. All vesting rights of development standards will expire unless the Term is extended as provided in Appendix D, (Permitting).

20.11.1 Procedures for City's Notice of Termination Following Buildout Period

The City's notice of termination shall use the same notice procedures that would apply to a zoning classification (rezone) of the Project at the time of the proposed termination.

20.11.2 Distribution of City's Notice

The City shall mail notice to Swedish under Section 20.14 and to any business or homeowner association or community groups, consistent with noticing procedures at the time of termination, and to others which the City in its sole discretion determines should receive notice, but the failure to provide notice pursuant to this sentence shall not affect the validity of the City's termination notice using rezone procedures nor subject the City to any liability.

20.11.3 City Procedures After Termination

No sooner than six (6) months after the Notice of Termination, the City shall hold public hearings and shall adopt zoning and related development standards for the Swedish Property, or portions thereof as determined appropriate by the City. Upon such adoption, this Agreement shall terminate but no later than December 31, 2033 and, thereafter, the Swedish Property shall be governed by the adopted City zoning and related development regulations. Should a zoning change be necessary or desired following Termination of this Agreement, the properties will either revert to their pre-Development Agreement zone or an alternative compatible zone will be chosen by the City.

20.12 No Third-Party Beneficiary

This Agreement is made and entered into for the sole protection and benefit of the parties hereto and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

20.13 Interpretation

This Agreement has been reviewed and revised by legal counsel for both parties, and no presumption or rule construing ambiguity against the drafter of the

document shall apply to the interpretation or enforcement of this Agreement. Nothing herein shall be construed as a waiver of the City's constitutional and statutory powers. Nothing herein shall be construed or implied that the City is contracting away its constitutional and statutory powers, except as otherwise authorized by law.

20.14 Notice

All communications, notices, and demands of any kind that a party under this Agreement requires or desires to give to any other party shall be in writing and either (i) delivered personally, (ii) sent by facsimile transmission with an additional copy mailed first class, or (iii) deposited in the U.S. mail, certified mail postage prepaid, return receipt requested, and addressed as follows:

If to the City:	City of Issaquah 130 East Sunset Way P. O. Box 1307 Issaquah, Washington 98027 Attn: Mayor's Office
with copy to:	Ogden Murphy & Wallace 2100 Westlake Center Tower 1601 Fifth Avenue Seattle, Washington 98101 Attn: Wayne D. Tanaka
If to Swedish:	Swedish Health Services 751 NE Blakely Drive Issaquah, WA 98029 Attn: Campus CEO
with a copy to:	Michael C. Robinson Perkins Coie, LLP 1120 NW Couch Street, 10 th Floor Portland, OR 97209-4128

Notice by hand delivery or facsimile shall be effective upon receipt. If deposited in the mail, notice shall be deemed delivered forty-eight (48) hours after deposited. Any party at any time by notice to the other party may designate a different address or person to which such notice or communication shall be given.

20.15 Delays

If either party is delayed in the performance of its obligations under this Agreement due to Force Majeure, then performance of those obligations shall be excused for the period of delay.

20.16 Dispute Resolution Process

20.16.1 Matters Covered by Dispute Resolution Process

This Section 20.16 shall govern any disagreements between the Parties over the following:

20.16.1.1 Disputes over modification of this Agreement after a court determination of invalidity under Subsection 20.3.2, Severability.

20.16.2 Process for Dispute Resolution

If any dispute covered by this Section 20.16 arises, then the Parties shall meet in good faith to settle the dispute within ten (10) days after either party requests such a meeting, or within forty-five (45) days after a court ruling under Subsection 20.3.2. If the Parties are unable to settle the dispute at that meeting, then the Parties shall settle the matter by arbitration, made by a single arbitrator, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

20.16.3 Selection of Arbitrator

The Parties during the settlement meeting will seek to agree upon a single arbitrator, if the Parties do not voluntarily settle the dispute at the meeting. If the Parties cannot agree on a single arbitrator, then the arbitration will be referred to the mediation services provided by the environmental and land use law section of the King County Bar Association, but if it is not in existence or not able to hear the matter, then either the City or Swedish may apply to the Washington Superior Court for appointment of a single arbitrator pursuant to RCW7.04.050.

20.16.4 Costs and Procedures for Arbitration

The arbitrator shall establish the procedures and allow presentation of written and oral information, but shall render its final decision within thirty (30) days after the matter is referred to arbitration. The Parties shall pay equally the cost of the arbitration, but each Party shall pay its own attorney's fees.

20.16.5 Arbitrator's Decision in Writing

The arbitrator's decision shall be in writing and specifically find, as applicable:

20.16.5.1 What modifications implement the Parties' intent consistent with the court invalidation decision under Subsection 20.3.2.

20.16.6 Dispute Resolution Process as Exclusive Remedy

Dispute resolution on the subjects covered by this Section 20.16 is the exclusive remedy of the Parties, and the City shall have no liability for damages if dispute resolution is complied with under this Section 20.16.

20.17 Indemnification

20.17.1 General Indemnity

Except as otherwise specifically provided elsewhere in this Agreement and any exhibits hereto, each Party shall protect, defend, indemnify and hold harmless the other Party and their officers, agents, and employees, or any of them, from and against any and all claims, actions, suits liability, loss, costs, expenses, and damages of any nature whatsoever, which are caused by or result from any negligent act or omission of the Party's own officers, agents, and employees in performing services pursuant to this agreement. In the event that any suit based upon such a claim, action, loss, or damage is brought against a Party, the Party whose negligent action or omissions gave rise to the claim shall defend the other Party at the indemnifying Party's sole cost and expense; and if final judgment be rendered against the other Party and its officers, agents, and employees or jointly the Parties and their respective officers, agents, and employees, the Parties whose actions or omissions gave rise to the claim shall satisfy the same; provided that, in the event of concurrent negligence, each Party shall indemnify and hold the other Parties harmless only to the extent of that Party's negligence. The indemnification to the City hereunder shall be for the benefit of the City as an entity, and not for members of the general public. Notwithstanding any other provision of this Agreement, except for Grand-Glacier's limited role to remove the Property from the Issaquah Highlands Development Agreement, Swedish and the City acknowledge that Grand-Glacier shall have no obligation for implementation of any provision of this Agreement, and Swedish, as the master developer, waives any claim against and agrees to indemnify and hold harmless Grand-Glacier for any claims, liability, loss, expense and damages (including cost of defense) of any nature relating to any implementation, obligations or other actions or liability under this Agreement.

20.17.2 Additional Indemnity

Without limitation of the foregoing provisions of Subsection 20.17.1, if any person brings suit or seeks recovery of any monies paid by that person pursuant to this Agreement, then Swedish agrees to indemnify, defend and hold the City harmless from any judgment and shall pay for the City's (and its officers, agents, employees and contractors) costs of suit, pre- or post-judgment interest, consequential damages and reasonable attorneys' fees, expert witness fees, staff time, consultants fees and all other directly related out-of-pocket expenses and reimbursement of any monies paid pursuant to this Agreement. Notwithstanding the preceding sentence, if the basis of the person's claim or cause of action is the City's negligence, intentional misconduct or breach of this Agreement, then the City shall indemnify Swedish to the same extent and for the same costs as specified in the preceding sentence. References to the City and Swedish include their respective officers, agents, and employees. In the event of

concurrent negligence, including RCW 4.24.115, each Party shall indemnify and hold the other harmless only to the extent of that Party's negligence. The indemnifying Party shall have the option but not obligation to defend the indemnified Party in any such suit, but if the indemnifying Party elects not to defend, then it shall reimburse the indemnified Party on a monthly basis for the costs described in this section. Notwithstanding any other provision in this Agreement, to the extent a court of competent jurisdiction determines that the City is precluded from collecting any fees, costs, or other monies under this Agreement, then the City shall be under no further obligation to pay said precluded sums to Swedish. It is further specifically and expressly understood that the indemnification provided herein constitutes each Party's waiver of immunity, as between themselves, under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the Parties. The provisions of this Subsection 20.17.1 shall survive the expiration or termination of this Agreement.

21.0 Definitions

See **Attachment 1**.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, effective on the day and year set forth on the first page hereof.

CITY OF ISSAQUAH

a Washington municipal corporation

By Ava Frisinger
Ava Frisinger, Mayor

Date 12/11/13

Approved as to Form:

BGP for Wayne Tanaka
Wayne Tanaka, City Attorney

SWEDISH HEALTH SERVICES

By _____
Title _____
Date _____

GRAND-GLACIER LLC

By Jim Diller
Title VP Asset management
Date 12/10/13

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, effective on the day and year set forth on the first page hereof.

CITY OF ISSAQUAH
a Washington municipal corporation


By _____
Ava Frisinger, Mayor

Date _____

Approved as to Form:

Wayne Tanaka, City Attorney

SWEDISH HEALTH SERVICES

By 
Title Vice President & Const
Date 12/10/17

GRAND-GLACIER LLC

By _____
Title _____
Date _____

APPENDICES

- A: Guiding Principles and Goals
- B: Design Guidelines
- C: Land Uses and Standards
- D: Processing of Implementing Approvals and
Modification of Standards (Permitting)
- E: Circulation Standards
- F: Utilities
- G: Parking Standards
- H: Landscaping Standards
- I: Sign Standards
- J: Lighting
- K: Sustainability
- L: SEPA

Attachment 1 Definitions

Definitions apply to capitalized terms found in this Development Agreement with the following exceptions:

1. Specific definitions related to Appendix I (Signs) only are located within that Appendix I; and,
2. No defined term is intended to surplant terms defined in other applicable codes (e.g., IBC, IFC, etc.)

Defined Term	Definition
Accessory Use	A use which is subordinate to and serves or complements the principal Commercial use.
Administrative Approval	Approval authority granted to the Designated Official through the provisions of this Agreement.
Administrative Modification	Process to revise or alter components of the Development Agreement by the Designated Official pursuant to Appendix D (Permit Processing).
Aerial Zone	The area above a sidewalk that is at least eight feet vertically above the sidewalk surface.
Agreement	The development agreement for the Project entered into by the parties herein, together with its Figures and Appendices.
Agreement Boundary	See Section 1.3
Allowable Development	The overall number of ERUs approved for the Project through this Agreement, as specified in <u>Section 5.0</u> of the Main Body.
Applicant	The Master Developer (or its assignee) as the submitter of an application to the City to receive approval through the provisions of this Agreement.
Arbor	A garden feature forming a shaded walkway, passageway or sitting area, of vertical posts or pillars that typically support cross-beams and a sturdy open lattice, often upon which woody vines are trained.
Assisted and Independent Living	Housing, owned or contracted by the Master Developer, for individuals or couples, accessory to the hospital and medical offices and intended to provide proximate continuum of care accommodations with supervision or assistance to residents, ranging from independent living to more intensive care, such as memory care, and providing congregate facilities, such as dining and recreational activities.
Bicycle Parking Space	A permanently-installed structure designed for parking and securing a bicycle without obstructing sidewalks or walkways, often using a bicycle rack.
Bike Rail	An element provided as part of a stairway to allow bicyclists to roll their bicycles up and down. These elements are also

	referred to as bike channels, bike ramps, bike stair and bike gutter.
Block	A city block is the smallest property area that is surrounded by vehicular circulation facilities.
Border	A planting area adjacent to the Trail Tread. This area provides and ensures a vegetated transition area between the circulation Corridor and the adjacent use. Borders may overlap with landscape buffers. Both natural and introduced landscape plantings may be used to fulfill Border requirements.
Building	Any structure used or intended for supporting or sheltering any use or occupancy.
Buildout Period	The approximate 20-year period ending 31 December 2033.
Care facility	Any type of group program for children or adults. May be for-profit or not-for-profit.
City	The City of Issaquah, an Optional Municipal Code City
Commercial	Use of a property to include an occupation, employment, or enterprise that is carried by the owner, lessee or licensee. Commercial uses are listed in Appendix C (Land Use).
Community Space	The umbrella term within the Project designated for lands containing recreation or public amenity such as active or passive parks, plazas, and other like exterior facilities and areas. A Community Spaces is required (Section 2.5), others are encouraged. Designated Community Spaces are created by the Master Developer and can be comprised of both pervious and non-pervious surfaces and are designed with hardscape and/or landscaping.
Corridor	An area that includes the length and width of a circulation facility such as a street or trail. The Corridor includes, but is not limited to, Trail Tread, sidewalks, travel lanes, on-street parking areas and required landscape.
Crosswalk	A portion of a roadway where pedestrians are encouraged to cross the street; can be marked or unmarked.
Crosswalk, Raised	A crosswalk that is at a higher elevation than the adjacent street grade to enhance the visibility of a pedestrian route. Raised Crosswalks are only allowed as Pedestrian Tables.

Dark Skies	A movement to preserve and protect the nighttime environment and our heritage of dark skies through environmentally responsible outdoor lighting.
Deciduous Tree	Woody plants with a minimum mature height generally greater than 15 feet which go dormant in winter and shed their foliage.
Declaration	The Declaration of covenants, conditions and restrictions (CC&Rs) filed for recording by the Master Developer at the time of the first implementing permit for the Project.
Designated Official	The person, or persons, appointed by the Mayor, empowered, authorized and charged with the duty to administer, interpret, process and approve plans and permits as required by this Agreement. The person, or persons, will meet the general qualifications listed in Attachment 2.
Development Standards	Collectively, the Project elements, standards, mitigation measures and other requirements and conditions of development as set forth in this Agreement. The term also includes, but is not limited to, all standards, elements and items included in the definition of Development Standards set forth in RCW 36.70.B.170(3), part of the State statute authorizing agreements such as this Agreement.
Development Fee	The fees collected by the City to partially fund public facilities to accommodate new growth as empowered through the Growth Management Act (Ch. 36.70A RCW) and RCW 82.02.050 through RCW 82.02.100.
Dog-leg	Something containing a sharp bend, typically referring to a Circulation facility.
Dripline	The area located under the outermost reach of a tree's limbs.
Drought Tolerant Plants	Plants that, once established, can survive with little or no water other than from rainfall or natural runoff.
Eastside Fire & Rescue (EF&R)	The regional organization that provides fire and emergency services to the City of Issaquah.
Evergreen Tree	Woody plants with a minimum mature height generally greater than 15 feet which retain at least one year's foliage during their winter dormant period.
Flexibility Objectives	The reasons for modifying various Project elements or other Development Standards, as further described in <u>Section 18.1</u> of the Main Body and Appendix D (Permit Processing).
Floor Area Ratio	The relationship between the amount of Gross Square Feet in a building or buildings and the property on which the building(s) are located. It is obtained by dividing the Gross Square Feet of the building or

buildings by the developable site area. For the purpose of this Agreement, the site area will be the Property and FAR will be considered on a Property basis, calculated with the Land Use Permit based on the allowed development identified in Section 5 (Project elements).

Force Majeure	Extraordinary natural elements or conditions, such as war, riots, labor disputes, or other causes beyond the reasonable control of the obligated party.
Guest Housing	Short term housing or lodging intended for families of patients or visitors of the Project.
Green Wall	A wall, or portion of a wall, that has support structures (e.g., wires, grids, trellises, etc.) or plant medium (e.g., soil pockets, growing mats, etc.) such that plants can climb up, trail down, or grow out of the wall resulting in a wall or wall section that is predominantly verdant.
Gross Square Feet or Area	see Square Feet, Gross
Groundcover	Low evergreen plantings used in masses. Rocks, pebbles, sand and similar natural materials may be used as groundcover accents.
Herbicide	Any substance toxic to plants and used to destroy unwanted vegetation.
Hydrozone	A grouping of plant species used in a landscape area which have similar irrigation needs.
IMC	Issaquah Municipal Code
Implementing Approvals	Land use approvals or permits issued by the City following the execution of this Agreement which implement or otherwise are consistent with this Agreement, including but not limited to: plats, site plans, utility permits and construction permits.
Implementing Permit	An Implementing Approval
Informal Gathering Areas	Areas designed to encourage pedestrian-oriented, small-scale social interaction in an urban setting. They vary in size and function depending on adjacent uses, and may include street furniture, focal points and human-scaled elements which emphasize its prime function as a place for people. The inclusion of Informal Gathering Areas are at the discretion of the Master Developer in order to respond to market and/or recreational amenity needs created with the construction of a building.
Landscape	The presence of plant material, including lawn, groundcover, trees and/or shrubs. Landscape may also include decorative

	outdoor elements such as rock, wood and other natural materials, pools, benches, fountains, sculptures, artwork, lighting and decorative paving surfaces.
Landscape Coverage	The point when trees and shrubs and living groundcover have matured and filled in so the planting space appears full, not sparsely planted, and meets the required planting standard or intent of the landscape guideline.
Local Improvement District	A special assessment district in which impacts will specially benefit primarily the property owners in the District.
Lodging	See Guest Housing
Low Impact Development (LID)	An approach to land development that uses land planning and design practices and technologies to simultaneously conserve and protect natural resource systems and reduce infrastructure costs. LID allows land to be developed in a cost-effective manner that helps mitigate environmental impacts
Master Association	The Owners' Association responsible for maintaining community assets within the Project.
Master Circulation Plan	The Plan in Appendix E (Circulation) used to guide decisions for road and trail placement and connections.
Master Developer	Swedish Health Services, or the responsible ownership party of the Project.
Master Developer Transferee	A person or entity other than the Master Developer acquiring an interest or estate (except for security purposes only) in all or substantially all of the Project, including the then-undeveloped portions thereof, and including transfer of all interests through foreclosure (judicial or nonjudicial) or by deed in lieu of foreclosure. Master Developer Transferee is also any successive person or entity similarly acquiring such an interest or estate from a previous Master Developer Transferee.
Master Street Tree Plan	The Plan in Appendix E (Circulation) used to guide decisions for street tree selection.
Mews	See Section 5.4 of Appendix E (Circulation).
Mixed Use	Use of a property to include a structure or structures that contain more than one land use with a variety of complementary and integrated uses, such as, but not limited to, residential, office, manufacturing, retail, public, or entertainment, in a compact urban form. The mix of uses could be either vertically or horizontally integrated.
Motorized Vehicles	Cars, buses, vans, trucks, motorcycles, scooters and other similar types of transportation powered by an internal combustion engine or mechanical power source. Personal

	vehicles that are utilized by persons with disabilities are not included in this definition.
Mulch	Composted organic material such as bark, sawdust, wood shavings, etc. used in landscape areas for moisture retention, weed suppression or soil insulation.
Native Vegetation	Non-weedy plant species indigenous to the greater Issaquah area or that could have been naturally expected to occur in the Project.
Neighborhood	An area defined by topography, sensitive area, land use, activity, significant streets, and/or other features that are distinguishable from adjacent areas. Neighborhoods may consist of any land use or combination of land uses (e.g., residential, commercial, mixed use, etc.).
Net Square Footage	See Square Feet, Net
Non-Motorized	Movement by pedestrians and wheeled equipment that does not rely on a power source (e.g., mechanical, electric, internal combustion) such as bicycles, roller blades, skate boards, wheelchairs, push scooters.
Non-Residential Development	Those Retail and Commercial land uses entitled by this Agreement and listed in Appendix C (Land Use).
Open Space	Areas not encumbered by development or development-serving improvements (e.g., parking lots, roadways, etc.). Open Spaces are a positive ingredient of the urban composition and are designated or reserved for public or private use and enjoyment.
Park Once District	A place where people are encouraged to park in one place and then make stops on foot rather than driving from one destination to another within the district, as you would with a car-oriented area.
Park	An outdoor common space that is landscaped and may accommodate a variety of activities including active recreation and passive/leisure opportunities; and, may contain various facilities such as walking paths, trails, and play opportunities.
Parking Deck	A covered, single level of parking where the roof is a substantial structure for uses such as a solar array, parking, green roof, park, or shade structure.
Parking Held in Reserve	A development area which is designated for future parking needs but is currently landscaped and/or contains impervious surface. For site and storm drainage calculations, it is considered impervious.

Parking Lot or Surface Parking	An area not within or under a building and/or not covered by a deck, where motor vehicles may be stored for the purposes of temporary, daily, or overnight off-street parking. Parking Lots include stalls, drive aisles and maneuvering space. Parking lots do not include on-street parking or areas where only parallel parking exists.
Parking, On Street	Parking within rights-of-way or between curbs of private streets. On-street parking is typically 20 feet in length.
Parking, Structure	A structure where motor vehicles may be stored for the purposes of temporary, daily, or overnight off-street parking. The structure may be free standing or incorporated into another building and may have some occupied uses contained within the structure.
Parties	Collectively the City of Issaquah and Master Developer.
Path	A pedestrian route that is not regulated to a minimum standard as it is not necessary to create a Pedestrian Friendly community. Examples of paths would include: a less direct route, a redundant or duplicative corridor, and a walk serving two or fewer residential units. A path is covered by Best Practices, Design Guidelines and safety.
Pedestrian Friendly	A term to describe designs that because of scale, character, materials, accessibility, and/or other elements encourage walking as a primary mode of transportation. Pedestrian-Friendly routes are safe, direct, easy to use and connected. Also known as “pedestrian oriented”.
Pedestrian Table	A traffic calming device designed as a long speed hump with a flat section in the middle and typically constructed of concrete. Pedestrian Tables are generally long enough for the entire wheelbase of a fire truck to rest on top and differ from speed tables in that they double as a Raised Crosswalk.
Pedestrian Zone	The area from the surface of a sidewalk vertically to eight feet (8') above the sidewalk surface.
Plaza	An element of public realm that is an outdoor, open gathering place that is designed for multi-functional public access. The Plaza may contain a variety of design treatments, including both soft and hard surfaces, though typically more hardscape, and is partially or completely surrounded by buildings and/or streets. The inclusion of Plazas is at the discretion of the Property Administrator in order to respond to market and/or recreational amenity needs created with the construction of a building.
Pop Up	A pop up involves opening a short-term business, often in an empty retail or other space as a temporary use. These shops, while typically small and temporary, can build up interest and generate activity for an area.

Project	The Project area and entitled development, as conceptually illustrated in Figure 1 , and as further defined in Appendix C (Land Use), and as authorized pursuant to the pre-approved uses, densities and Development Standards established in this Agreement.
Property Line	The line denoting the limits of legal ownership of property.
Property Owner	The legal owner or owners of the property.
Public	Public is used throughout the Agreement to express the perception of who may or may not use Community Spaces and Circulation Facilities and not to designate ownership.
Public Space or Public Realm	Publicly- or privately-owned areas available to most people for a majority of the time such as Circulation facilities and Community Spaces. Privately-owned public spaces may have restrictions of use for specific times at the discretion of the owner.
Retail	Use of property to include businesses selling goods or merchandise to the general public for personal or household consumption and rendering services incidental to the sale of such goods. For the purpose of this Agreement, Retail uses are accessory to Allowed Uses, as described in Appendix C (Land Uses).
Right-of-Way	Land, property, or property interest (e.g., easements) usually in a strip acquired for or devoted to transportation, utility or other special use.
Root barrier	Physical barriers that redirect tree roots downward thus minimizing surface rooting which can damage foundations, sidewalks, paving and other hard surfaces.
Setback	The distance between the nearest part of the applicable building, structure or sign and the property line; or, the building and the back edge of circulation improvements adjacent to the property.
Shared Surface	A circulation corridor that is shared by motorized and non-motorized users such as cars and pedestrians. Surface materials and signage must be provided that communicate the shared nature of the facility. Also known as a “woonerf”.
Sidewalk	A paved, hard-surfaced pedestrian way, parallel to, separate from, and typically located on both sides of a vehicular route, such as a street.
Significant Tree	Any tree of at least 30 feet in height, or 6 inches in trunk caliper at 4½ feet above the surface of the ground.

Sky Bridge	A structure constructed above City right-of-way or a private Circulation Facility to facilitate pedestrians, and sometimes bicycles, crossing a street or vehicular way. The purpose of the skybridge is to facilitate building-to-building connections for users that find it difficult to cross at street grade and between buildings that may be separated. Skybridges should be designed and located to add to the streetscape and pedestrian priority of the Project.
Sociable Public Realm	Comprised of many things and promotes social interaction and a sense of community. If done well, it provides a place for people to live, work and play, brings inhabitants together and contributes to a more democratic way of life and encourages all to linger, share observations and perspectives, and thereby humanizes our urban areas. It takes into account the entire composition of the Public Space and may include trees, walks, street furniture, signs, landscape, plazas, parks and buildings as well as façade elements such as the street wall, porches, stoops and balconies.
Square Feet, Gross	The number or square feet of total floor area bounded by the inside surface of the exterior walls of a structure as measured at the floor line, excluding parking and mechanical floors or areas, and outside balconies.
Square Feet, Net	The building or unit floor space that may be utilized for the permitted use. The calculation typically excludes common areas and spaces devoted to heating, structured parking, cooling and other building mechanical equipment. For the purpose of tracking Allowable Development, Net Square Feet will be utilized by the City and will be 85% of the Gross Floor Area provided in Land Use applications.
Street	A public or private way within the Project open to general public use including thoroughfares designated by City Ordinance, or as identified in Appendix E (Circulation) of this Agreement, excluding alleys and driveways
Streetwall	That portion of the building base which is directly adjacent to the street right of way and provides a sense of enclosure to Public Space. Where a building is not present, the Streetwall may be established by other architectural or vertical landscape elements.
Structure	Anything constructed or erected, the use of which requires location on the ground or attachment to something having location on the ground.
Suburban	A predominantly low-density area located immediately outside of, and physically and socioeconomically associated with, an urban area or a city.
Trail	Hard -surfaced pedestrian ways, separate from vehicular routes, but which are necessary to create a connected, direct,

easy to use pedestrian friendly community.

Transfer	The sale, assignment, or other conveyance or transfer (including but not limited to transfer via judicial or non-judicial foreclosure or via probate or intestacy) of one or more undeveloped or partially-developed parcels, rights or obligations, created by this Agreement to persons or entities other than the Master Developer.
Tread	The surface upon which trail users are intended to travel. Tread does not include Borders or other elements that are not intended to be directly traveled on.
Trellis	A vertical architectural feature, either free standing or connected to another structure, that is often utilized to support climbing plants.
Urban Village	A highly developed area that includes, or is appurtenant to, a central city or place, and contains a variety of commercial, residential and cultural uses. The concept uses the social and physical morphology of the traditional rural village as an inspiration for creating better functioning communities. Urban design techniques such as combining different land uses, incorporating public spaces, and pedestrianization are employed to facilitate the development of community by encouraging human interaction.
Urban Village Design Guidelines	Also referred to as “Design Guidelines” and are contained in Appendix B.
Water-wise	Plantings and irrigation practices that conserve water usage and help protect the aquifer and natural surface waters.
Wayfinding	The techniques used to find one’s way often including the use of signage and other graphic communication as well as intuitive site planning and visual markers and cues.

Attachment 2 Designated Official

The Designated Official is determined by the Mayor and will represent the individual within the City Administration responsible for decision making relating to a particular component of this Agreement. Although there may be one Designated Official determined to be the primary City contact for the Master Developer, there may be multiple persons designated by the Mayor to administer specific portions of this Agreement.

Primary City contact:

- Key Responsibilities

- Provide leadership for City staff and consultants
- Provide creativity and dependability to Land Use Planning and Permitting of entitled development
- Foster positive relationship with the Master Developer and Issaquah Community
- Provide a single interface with the Master Developer

- Desired Qualifications

- Bachelor's degree in Urban Planning, Economic Development, Engineering, Public Administration or their equivalent, with a preference for a candidate with a related Master's Degree as well
- A minimum of 5 years experience in complicated development permitting
- Experience conducting public hearings and making presentations publicly
- Solid understanding of local and state regulations

- Values

- Trust of Mayor's Office, Community and City Council
- Believes value comes from the Public/Private Partnership
- Believes in win-win opportunities
- Relies on other staff with expertise to inform their decisions

Attachment 3 Tract QD Easement

AFTER RECORDING RETURN TO:
Statements shall be sent to the following address:

Kenneth S. Antell
DUNN CARNEY ALLEN HIGGINS & TONGUE LLP
851 SW Sixth Avenue, Suite 1500
Portland, OR 97204

ASSIGNMENT AND AMENDMENT OF EASEMENT RIGHTS AND CONSENT

Assignor:	Grand-Glacier LLC, a Washington limited liability company
Assignee:	Swedish Health Services, a Washington nonprofit corporation
Abbreviated Legal Description:	Tract QD of Final Plat of West 45, Volume 235, pages 15-22, Recording No. 20060619000212, King County, Washington
Additional Legal Description:	Exhibit A
Assessor's Tax Parcel No.:	3630250220
Additional Reference Document:	20071121000375

THIS ASSIGNMENT AND AMENDMENT OF EASEMENT RIGHTS AND CONSENT (this "Assignment") is made and entered into as of this ____ day of _____, 2013, by and between GRAND-GLACIER LLC, a Washington limited liability company ("Assignor"), and SWEDISH HEALTH SERVICES, a Washington nonprofit corporation ("Assignee"), with the consent of the CITY OF ISSAQUAH, WASHINGTON, a Washington municipal corporation (the "City").

RECITALS

A. Assignor, as Grantor and Benefited Party, and the City as Grantee, entered into that certain Dedication Deed and Easement Reservation (Tract QD-Issaquah Hills West 45 Vault), which was recorded in the real property records of King County, Washington, on November 21, 2007, as Recorder's No. 20071121000375 (the "Deed"). Pursuant to the terms of the Deed, Assignor conveyed certain real property to the City known as "Tract QD," and also reserved certain easement rights and other rights, and assumed certain obligations with regard to Tract QD. All such rights and obligations are hereinafter referred to as "Easement Rights and Obligations."

B. By special warranty deed recorded _____, 20__, Assignor sold and conveyed to Assignee all of Assignor's right, title, and interest in and to certain real property located in the City of Issaquah, King County, Washington, described as Blocks 36 through 42 of the final plat of Issaquah Highlands West 45, according to the plat recorded June 19, 2006, under Recorder's No. 200619000212 (the "Property"), subject to certain agreed-upon title exceptions. Tract QD is located northeast and adjacent to the Property.

C. Assignor has agreed to assign to Assignee, and Assignee has agreed to assume from Assignor, the Easement Rights and Obligations pursuant to the terms and conditions set forth in this Assignment.

D. Assignor and Assignee have agreed to amend the Easement Rights and Obligations as set out herein, and the City has consented to such amendment.

NOW, THEREFORE, for good and valuable consideration, including the mutual covenants and agreements set forth herein, Assignor and Assignee agree as follows:

1. Assignment.

Assignor hereby sells, assigns, grants, transfers and sets over to Assignee, its successors and assigns, all of Assignor's right, title and interest in and to the Easement Rights and Obligations.

2. Acceptance of Assignment and Assumption of Obligations.

Assignee hereby accepts the assignment of Assignor's right, title, and interest in and to the Easement Rights and Obligations and, for the benefit of Assignor and the City, hereby, assumes and agrees faithfully to perform all of the obligations that are required to be performed thereunder accruing from and after the Effective Date hereof.

3. Effective Date.

The effective date of this Assignment and each and every provision hereof is and shall be _____, 20__ (the "Effective Date").

4. Assignor's Indemnity of Assignee.

Assignor hereby agrees to defend (with counsel reasonably satisfactory to Assignee) indemnify, and hold harmless Assignee, its partners, and their officers, directors, employees, agents, representatives, successors, and assigns, and each of them, from and against any and all claims, suits, demands, causes of action, actions, liabilities, losses, damages, costs and expenses (including attorneys' fees) arising out of or related to the Easement Rights and Obligations accruing prior to the Effective Date. Assignor warrants and represents to Assignee that, to the best of Assignor's knowledge, Assignor has performed all obligations required under the Easement Rights and Obligations, and neither City nor Assignor is in breach, default, or violation of any term or provision of the Easement Rights and Obligations.

5. Assignee's Indemnity of Assignor.

Assignee hereby agrees to defend (with counsel reasonably satisfactory to Assignor), indemnify, and hold harmless Assignor, its partners, and their respective directors, officers, employees, agents, representatives, successors and assigns, and each of them, from and against any and all claims, suits, demands, causes of action, actions, liabilities, losses, damages, costs and expenses (including attorneys' fees) arising out of or related to the Easement Rights and Obligations accruing on or after the Effective Date.

6. Amendment of Easement Rights and Obligations.

Assignor, Assignee, and the City hereby agree that the following provision is added to the Easement rights and obligations: "Notwithstanding any other term or provision of the Easement, the Benefited Party and its permitted successors and assigns shall be entitled during the term of the Easement to place and maintain an internally illuminated monument sign in the Easement Area generally similar in size and appearance to the monument sign shown in the attached Exhibit B, within a 30-foot by 30-foot roughly square area located in the northeast corner of Tract QD, subject to the provisions contained in Sections 1.2 and 1.3 of the Deed. The final design and specifications of such monument sign shall be subject to the approval of the City based on the applicable City sign code and applicable law."

7. Successors and Assigns.

This Assignment, and each and every provision hereof, shall bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

8. Governing Law.

This Assignment shall be construed and interpreted and the rights and obligations of the parties hereto determined in accordance with the laws of the State wherein the Property is located.

9. Headings and Captions.

The headings and captions of the paragraphs of this Assignment are for convenience and reference only and in no way define, describe or limit the scope or intent of this Assignment or any of the provisions hereof.

10. Gender and Number.

As used in this Assignment, the neuter shall include the feminine and masculine, the singular shall include the plural and the plural shall include the singular, as the context may require.

11. Capitalized Terms.

Capitalized terms used but not defined herein shall have the meaning set out in the Deed.

12. Multiple Counterparts.

This Assignment may be executed in one or more counterparts^ each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13. Effect of Assignment.

Except as expressly set forth in this Assignment, the Easement Rights and Obligations are unmodified and remain in full force and effect.

14. Entire Agreement.

This Assignment contains the entire agreement between the parties and incorporates and supersedes all prior understandings and agreements, both written and oral with regard to the subject matter hereof. This Assignment may be modified only by a written instrument signed by all parties hereto.

15. Attorneys' Fees.

In the event that either party hereto brings an action at law or in equity to enforce or interpret or seek redress for breach of this Assignment, the prevailing party in such action shall be entitled to recover from the other its litigation expenses and reasonable attorneys' fees in addition to all other appropriate relief.

[Signatures and Notarial Acknowledgments on Following Pages]

ASSIGNOR:

Grand-Glacier LLC,
a Washington limited liability company

By: _____
Name: _____
Title: _____
Date: _____

ASSIGNEE:

Swedish Health Services
a Washington nonprofit corporation

By: _____
Name: _____
Title: _____
Date: _____

City hereby consents to this Assignment, including the amendment set out herein. City hereby warrants and represents that, to the best of its knowledge, City has performed all obligations required under the Easement, and neither City nor Assignor is in breach, default, or violation of any term or provision of the Easement.

CITY OF ISSAQUAH, WASHINGTON

By: _____
Name: _____
Title: _____
Date: _____

Attachment 4 Trip Generation Table

Basis for Traffic Assessment:

Project Area: Blocks 29 through 42 (inclusive)

Total Entitlement: 1,077,000 square feet

Total (allowed) PM Peak Hour
Trips from Project Area: 2,448 trips

Trip Generation Rates: Medical Office @ **3.46** trips per 1,000 sf
General Office @ **1.49** trips per 1,000 sf
Hospital @ **1.42** trips per bed

Maximum Entitlement*: 428,000 sf Medical Office (1,481 trips)
649,000 sf General Office (967 trips)
Total SF – 1,077,000 (428,000 + 649,000)
Total Trips – 2,448 (1,481 + 967)

Flexibility: Any combinations of land uses that generates less than 2,448
PM peak hour trips
or...
Any number of PM peak hour trips that can be mitigated to
meet the SEPA envelope (LOS D at all intersections, 3:30 min
(am and 4:00 min pm average travel time on SPAR (see
Transpo Table 8, March 14, 2013 memo))

** Although not specifically shown in the “maximum entitlement” amount, hospital beds can be included at the rate of $^{1.42}/_{3.46}$ for Medical Office conversions or $^{1.42}/_{1.49}$ for General Office conversions.*

Figure 1 – Map

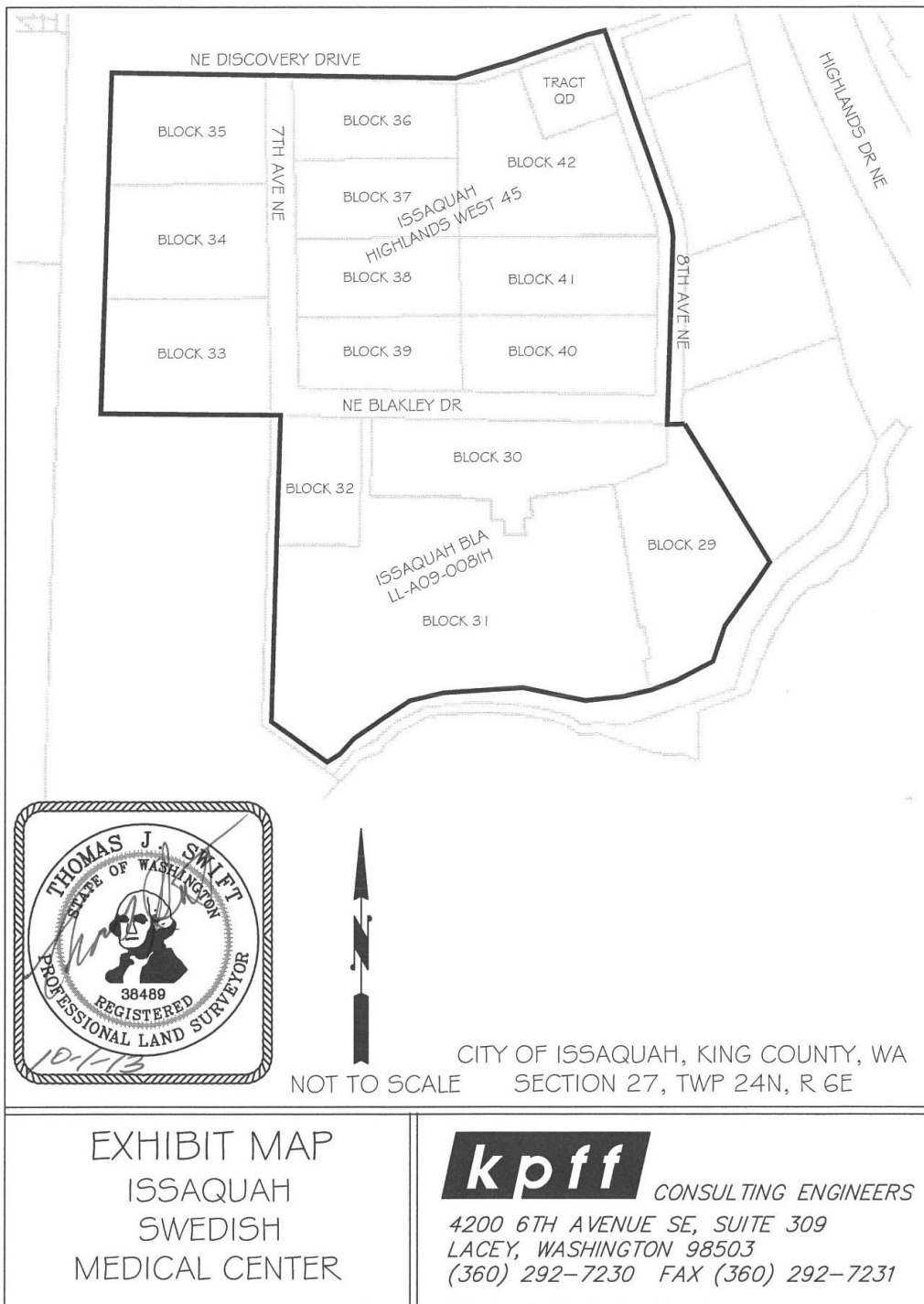


Figure 2 Legal Description

SWEDISH ISSAQUAH CAMPUS LEGAL DESCRIPTION

Blocks 33 through 42, inclusive, and Tract QD, Issaquah Highlands West 45, as recorded under King County Auditor's File No. 20060619000212; together with 7th Avenue NE, NE Blakely Drive, the Westerly one-half of 8th Avenue NE, and the South one-half of Discovery Drive abutting said blocks. Together with Blocks 29 through 32, inclusive, City of Issaquah Boundary Line Adjustment No. LLA09-008IH as recorded under King County Auditor's File No. 20100203900005.

Situate in Section 27, Township 24 North, Range 6 East, W.M., City of Issaquah, King County, Washington.

Figure 3 Discovery Drive Signal Head

